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Leza L Olson 10/30/2006 08:56:13 AM From DB/Inbox: Leza L Olson

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Text:

UNCLAS TEL AVIV 04281

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ACTION: PD  
INFO: DCM AMB POL DAO

DISSEMINATION: PD  
CHARGE: PROG

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FM AMEMBASSY TEL AVIV  
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RUEHAD/AMEMBASSY ABU DHABI PRIORITY 1112  
RUEHAS/AMEMBASSY ALGIERS PRIORITY 7887  
RUEHAM/AMEMBASSY AMMAN PRIORITY 0945  
RUEHAK/AMEMBASSY ANKARA PRIORITY 1879  
RUEHLB/AMEMBASSY BEIRUT PRIORITY 1088  
RUEHEG/AMEMBASSY CAIRO PRIORITY 8752  
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 1815  
RUEHLO/AMEMBASSY LONDON PRIORITY 8739  
RUEHFR/AMEMBASSY PARIS PRIORITY 9187  
RUEHRB/AMEMBASSY RABAT PRIORITY 5869  
RUEHRO/AMEMBASSY ROME PRIORITY 3241  
RUEHRH/AMEMBASSY RIYADH PRIORITY 8106  
RUEHTU/AMEMBASSY TUNIS PRIORITY 2361  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 4260  
RUEHJM/AMCONSUL JERUSALEM PRIORITY 4862  
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RHMFIUU/COMSOEUR VAIHINGEN GE PRIORITY  
RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS SECTION 01 OF 04 TEL AVIV 004281

SIPDIS

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HQ USAF FOR XOX  
DA WASHDC FOR SASA  
JOINT STAFF WASHDC FOR PA  
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOEUR VAIHINGEN GE FOR PAO/POLAD  
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JERUSALEM ALSO ICD  
LONDON ALSO FOR HKANONA AND POL

PARIS ALSO FOR POL  
ROME FOR MFO

E.O. 12958: N/A  
TAGS: IS KMDR

SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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Mideast

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Key stories in the media:  
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Ha'aretz reported that on Saturday Khaled Meshal, the head of Hamas's political bureau, will meet senior Egyptian official in Cairo. The meeting is to discuss the fate of abducted Israeli soldier corporal Gilad Shalit, and is considered to be "critical." The paper noted that it is not yet sure that Meshal will indeed come to Cairo tomorrow. Maariv adds that Israel is conducting semi-direct talks with Hamas for Shalit's release. The paper quotes foreign sources as reporting that the secret talks were conducted in Doha, Qatar, through Qatari mediation, between Ofer Dekel, who is in charge of the hostage portfolio in the Prime Minister's Office, and Hamas political bureau director Khaled Mashal.

Maariv reported that in his meeting with US President George Bush, Prime Minister Ehud Olmert will explain the harsh situation in Gaza to the president. He is also expected to clarify to the US president that an operation in Gaza is inevitable. Vice Premier Shimon Peres also met with Solana and told him that if Iran manages to manufacture nuclear weapons, these weapons will most probably be distributed to terror organizations such as Hizbullah.

Leading media cited State Comptroller Micha Lindenstrauss as saying that there appears to be sufficient evidence to begin a criminal investigation of Prime Minister Ehud Olmert on suspicion of involvement in the sale of Bank Leumi. According to the media Lindenstrauss has already transferred the material to Attorney General Menachem Mazuz, who will now have to decide whether to open an investigation against Olmert.

The Jerusalem Post published an interview with MK Avigdor Lieberman in which he said that the Iranian threat must be dealt with discretely. He also said that Israel needs to wait and see what the EU, US, Russia and China do regarding Iran and that Israel must take a back seat on the issue.

Maariv headlined a decision by Chief of Staff Dan Halutz to start bombing the Philadelphi route from the air using smart missiles in order to demolish tunnels used to smuggling weapons.

Maariv reported that Chief of Staff Halutz sent a letter to PM Olmert warning that if the defense establishment does not get an addition of billions to its budget, the IDF will not be able to deal with its threats.

Yediot cited Justice Minister Meir Shitrit intention to propose to PM Olmert to initiate a significant diplomatic process based on the Saudi proposal.

Ha'aretz reported that Defense Minister Amir Peretz met with European Union foreign policy coordinator Javier Solana on Thursday. The paper cited Peretz as saying to Solana that Israel will continue flying over Lebanon until the abducted soldiers return and since UNSC resolution 1701 has been not implemented fully. Peretz emphasized that the flights are a security need of Israel.

All media reported that three Palestinians were killed in three separate incidents on Thursday in the Gaza Strip. One of them a civilian and two were reported as carrying weapons. Two Israelis were wounded in two separate incidents in the West Bank and Gaza.

Yediot reported that the US has finalized a new proposal draft for

sanctioning Iran following Russia's refusal to support the previous version. In the new draft, the sanctions (which are described as soft) will last only 30 days. After this time, the IAEA will report on whether the Iranians have cooperated.

Leading media reported that on Thursday the High Court of Justice rejected petitions of Palestinians from North Samaria against the construction of segments of the separation fence meant to protect three Jewish settlements,

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I. Mideast:  
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Summary:  
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Independent, left-leaning Ha'aretz editorialized: "Peretz relinquished the last remnants of his influence over diplomatic-security affairs when he agreed to place the sensitive matter of strategic threats in the hands of the least appropriate person. By agreeing to this appointment, he exhibited his absolute lack of understanding in matters of defense, strategy and deterrence."

Diplomatic correspondent Ben Caspit wrote in popular, pluralist Maariv: "The Americans, who do not intend to let Ahmadinejad put his hands on a nuclear bomb, are going to demand from us to demonstrate restraint and goods to sell to the Arab world in order to prepare the grounds."

Columnist Nassim Abu Khait wrote in left-leaning, independent Arabic-language weekly Panorama: "The Labor Party's leadership should decide whether to end its historical cooperation with Israel's Arab citizens and get together with a person whose intentions are to destroy Palestinians cities and expel the [Israeli] Arabs out of the Triangle area.... These questions should be answered immediately and before the entry of Lieberman into the government."

Block Quotes:  
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II. "a Good Time to Quit"

Independent, left-leaning Ha'aretz editorialized (10/27): "If there is an appropriate time for the Labor Party to split over a matter of principle, the entry of Avigdor Lieberman and Yisrael Beiteinu into the government is the moment.... If there was a point to the existence of a Kadima-Labor government, in order to further the convergence plan, that has now evaporated. With the inclusion of Lieberman, it is clear that any concessions in the West Bank have been forestalled. Negotiations with the Palestinians are also impossible, even if the Palestinians meet the most stringent preconditions, because a right-wing government has nothing to offer in such negotiations. Today, it is clear that with the exception of a few houses that will be evacuated from this or that outpost in order to preserve Peretz's honor, this promise from the government's guidelines will also not be kept, making these guidelines indeed 'worthless,' as Lieberman termed them. Peretz will henceforth belong to a government that is right-wing on both diplomatic and socioeconomic issues, and it is doubtful that he will be able to represent those who elected him on any subject. Peretz relinquished the last remnants of his influence over diplomatic-security affairs when he agreed to place the sensitive matter of strategic threats in the hands of the least appropriate person. By agreeing to this appointment, he exhibited his absolute lack of understanding in matters of defense, strategy and deterrence."

II. "Walking Towards Decision Time"

Diplomatic correspondent Ben Caspit wrote in popular, pluralist Maariv (10/27): "Lieberman did not join the Olmert's government just for a minute. They are going steady. In his discrete talks with Olmert, Yivett [Lieberman] promised Olmert up to two years of quiet. A liebermanic security belt, no shticks and no tricks.... They did not just agree on a year and a half or two of quiet, this is the crucial time frame that the whole region is walking towards. In a

year and a half from now George W. Bush will enter his last months of term in office. That will be decision time against Iran. In the time that is left until that moment comes, Olmert and Lieberman will dedicate themselves for preparing Israel to these crucial days. The Americans, which do not intend to let Ahmadinejad put his hands on a nuclear bomb, and are going to demand that we demonstrate restraint and goods to sell to the Arab world in order to prepare the grounds for action.... These days, US envoy General Dayton is working to update the real situation of Abu Mazen's forces ... When this examinations ends it will be decided between the US and Israel what the Palestinians really need in order to maintain their rule and defeat Hamas. They will get what they need. From the Americans, not from us."

### III. "Decide Now"

Columnist Nassim Abu Khait wrote in left-leaning, independent Arabic-language weekly Panorama(10/27):"It seems that the time has arrived for the Labor Party to decide whether to continue its strategy of war and random killings of Palestinians on a daily basis.... or to take a 'hudna' and rethink that the Bush administration will not stay for long and its unlimited support of Israel's continuance occupation of Palestinian, Syrian and Lebanese territories ... will also not stay for long.... The Labor Party's leadership should decide whether to end its historical cooperation with Israel's Arab citizens and get together with a person whose intentions are to destroy Palestinians cities and expel the [Israeli] Arabs out of the Triangle area.... These questions should be answered immediately and before the endorsement of Lieberman into the government."

JONES